

Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 EB-07 OFA-01 DLOS-03 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 TRSE-00 /066 W

----- 009506

R 120939Z MAR 75

FM AMCONSUL PORT MORESBY

TO SECSTATE WASHDC 352

INFO AMEMBASSY CANBERRA

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

USLO PEKING

AMEMBASSY TOKYO

CINCPAC

C O N F I D E N T I A L PORT MORESBY 0213

E.O. 11652: GDS

TAGS: PFOR, EGEN, JA, PP

SUBJECT: PNG-JAPANESE RELATIONS

1. A DETERIORATION IN RELATIONS BETWEEN JAPAN AND PNG APPEARS TO HAVE TAKEN PLACE RECENTLY RESULTING FROM CERTAIN INCIDENTS AND ALSO FROM THE WAY THE NEW JAPANESE CONSUL GENERAL HANDLED THEM. THESE INCIDENTS TOOK PLACE AGAINST AN EXISTING PNG SENSE OF UNEASINESS AT JAPAN'S GROWING COMMERCIAL PRESENCE AND A SENSE OF ACUTE DISTASTE AT THE CORRUPT PRACTICES SOME JAPANESE BUSINESSMEN HAVE ENGAGED IN.

2. A JAPANESE TRAWLER FISHING FOR TUNA WITHIN THE 12-MILE LIMIT WAS SEIZED BY A PNG DEFENCE FORCE PATROL BOAT ON FEB. 6. TRAWLER TRIED TO ESCAPE, BUT WAS CAUGHT AND, AFTER A TRIAL, WAS CONFISCATED BY THE RABAU DISTRICT COURT. CONSUL GENERAL HASHIMOTO TOLD ME FEB. 18 THAT HE HAD BEEN INSTRUCTED BY HIS FOREIGN OFFICE TO MAKE STRONG REPRESENTATIONS TO THE CHIEF MINISTER, AND HASHIMOTO UTILIZED HIS INITIAL COURTESY CALL ON SOMARE FOR THIS PURPOSE. HASHIMOTO SAID HE WAS INSTRUCTED TO

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INFORM SOMARE THAT JAPAN WOULD HAVE TO REVIEW ITS ENTIRE POLICY

TOWARDS PNG UNLESS THIS MATTER WAS SATISFACTORILY RESOLVED.

3. THE JAPANESE APPROACHED THE AUSTRALIANS AS WELL, POINTING OUT THAT AUSTRALIANS WERE STILL IN CHARGE OF PNG AND DEMANDED THAT AUSTRALIANS BRING GPNG INTO MORE REASONABLE STANCE. APPARENTLY AS THE RESULT OF AUSTRALIAN PRESSURES, THE GPNG SOLD THE \$750,000 CONFISCATED TRAWLER BACK TO THE JAPANESE FOR \$10,000. IN ANNOUNCING THIS DECISION THE GPNG SAID IT HAD BEEN DECIDED TO SET A NOMINAL AMOUNT TO DEMONSTRATE THE IMPORTANCE IT ATTACHES TO GOOD RELATIONS WITH JAPAN, ESPECIALLY IN THE FIELD OF ECONOMIC COOPERATION. TOM TOBUNBUN (DFRT) TOLD E/C OFFICER AUSTRALIANS ARGUED GPNG INTO A MORE MODERATE ATTITUDE AND SAID HE AND OTHER YOUNG OFFICERS WERE OUTRAGED THAT FONMIN KIKI AND DFRT ACTING SECRETARY TONY SIAGURA HAD GIVEN IN TO AUSTRALIANS.

4. SIAGURA SUBSEQUENTLY TOLD ME, BRISTLING VISIBLY WHEN I BROUGHT THE SUBJECT UP, THAT HASHIMOTO HAD A GOOD DEAL TO LEARN ABOUT HOW TO OPERATE IN PORT MORESBY. HE SAID HASHIMOTO HAD TO LEARN TO DEAL WITH DFRT BEFORE HE WENT TO CHIEF MINISTER, AND FURTHER, HAD TO LEARN THAT PNG MADE THE DECISIONS, NOT THE AUSTRALIANS.

5. SIAGURA SAID GPNG CONSIDERED CONFISCATING THE TUNA CATCH ON THE JAPANESE TRAWLER (WORTH \$16,000) AND RETURNING THE SHIP. WHEN LOOPHOLE IN LAW WAS DISCOVERED TO PREVENT CONFISCATION OF THE CATCH, GPNG DECIDED TO SELL SHIP BACK FOR \$10,000 IN LIEU OF A FINE. THIS, AS INDICATED PARA 3, WAS CONSIDERED ABJECT RETREAT BY YOUNG DFRT OFFICERS.

6. HASHIMOTO TOLD ME AT DINNER MARCH 5 THAT JAPANESE GOVERNMENT WAS BECOMING INCREASINGLY CONCERNED ABOUT PNG'S ATTITUDE TOWARDS FOREIGN INVESTMENT. JAPAN FOREIGN OFFICE INSTRUCTED HIM TO OBTAIN FROM DFRT AND NIDA A FIRM STATEMENT OF PNG FOREIGN INVESTMENT POLICY WHICH WOULD BE VALID FOR NEXT FEW YEARS. HE AND I AGREED NO SUCH STATEMENT COULD BE OBTAINED IN THIS VERY TRANSITIONAL PERIOD. HASHIMOTO SAID HE WAS RECEIVING THE MOST STRONGLY WORDED INSTRUCTIONS FROM GOJ HE HAD EVER RECEIVED IN ANY POST. HE IS FINDING GPNG VERY UNRECEPTIVE TO HIS REPRESENTATIONS, AND FURTHER, FINDS PNG AGENCIES TAKING POSITIONS WHICH HE CANNOT EXPLAIN TO GOJ. FOR EXAMPLE, IN A PALM OIL
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PROJECT IN EAST NEW BRITAIN GPNG WANTED ONLY 15 PERCENT OF THE STOCK BUT WANTED A MAJORITY VOICE IN MANAGEMENT DECISIONS. HASHIMOTO FEELS THAT HE HAS A VERY DIFFICULT POSITION HERE.

7. COMMENT: JAPAN RECOGNIZES A THREE MILE TERRITORIAL WATER LIMIT, AND THE FISHING VESSEL WAS EIGHT MILES OFF SHORE AND FISHING WITHOUT A LICENSE. THUS JAPAN FEELS IT WAS IN THE RIGHT. HASHIMOTO SEEMS TO BE MAKING A BAD SITUATION WORSE.

GPNG MAY TAKE A COLDER LOOK AT JAPANESE TRADE AND INVESTMENT
HERE. SIAGURA, A RATHER MILD PERSON, HAS BEEN SERIOUSLY
ANTAGONIZED BY THE JAPANESE, AND HE INDICATED FORMIN KIKI SHARED
HIS VIEWS. THIS SITUATION MAY MAKE ECONOMIC RELATIONS WITH
CHINA MORE ATTRACTIVE TO GPNG.
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